



State Receipt and Revenue Plans

MULTI-YEAR FINANCIAL SUMMARY
TOTAL EXPENDITURES AND REVENUES
FISCAL YEARS 08 - 15
(in millions of dollars)

	Estimated FY 08	Estimated FY 09	Estimated FY 10	Estimated FY 11	Estimated FY 12	Estimated FY 13	Estimated FY 14	Estimated FY 15
REVENUES:								
Executive Branch:								
Tax Revenues	5,106.4	5,109.8	5,288.9	5,600.3	5,916.6	6,196.3	6,574.4	6,973.4
Nontax Revenues	3,260.0	3,424.6	3,456.5	3,329.1	3,355.0	3,480.7	3,421.9	3,431.9
Federal Funds	2,155.3	2,108.3	2,106.2	2,150.9	2,207.8	2,253.7	2,254.1	2,256.2
Judicial Branch Revenues	43.4	42.5	43.4	44.0	44.6	45.4	46.1	46.3
OHA Revenues	24.0	21.3	15.1	15.1	15.1	15.1	15.1	15.1
Other	-	46.4	137.4	76.5	74.7	58.7	49.7	49.7
Bond Receipts	545.1	1,306.5	983.5	1,530.5	755.0	1,696.6	525.0	503.9
TOTAL REVENUES	11,134.2	12,059.4	12,031.0	12,746.4	12,368.9	13,746.5	12,886.3	13,276.4
EXPENDITURES:								
Executive Branch:								
Operating	10,097.3	10,602.0	11,110.2	11,309.5	11,780.1	12,038.1	12,232.4	12,430.2
Capital Investment	660.0	2,405.6	1,964.1	1,887.3	1,022.5	612.1	43.3	0.2
Specific Appropriations	206.3	237.2	9.5	9.2	9.3	9.3	9.3	9.3
Sub-total	10,963.7	13,244.7	13,083.8	13,205.9	12,811.9	12,659.5	12,285.0	12,439.7
Legislative Branch	37.5	37.5	30.5	30.5	30.5	30.5	30.5	30.5
Judicial Branch	151.1	159.9	132.8	131.3	131.6	131.7	131.9	132.0
OHA	9.3	9.5	9.1	9.3	9.4	9.6	2.5	2.5
Lapses	(219.6)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)
TOTAL EXPENDITURES	10,942.0	13,386.7	13,191.3	13,312.1	12,918.4	12,766.3	12,384.9	12,539.7
REVENUES OVER EXPEND.	192.2	(1,327.3)	(1,160.2)	(565.7)	(549.5)	980.2	501.4	736.7
CARRY-OVER BALANCE (DEFICIT)								
Beginning	6,501.6	6,693.8	5,366.5	4,206.3	3,640.5	3,091.0	4,071.3	4,572.6
Ending	6,693.8	5,366.5	4,206.3	3,640.5	3,091.0	4,071.3	4,572.6	5,309.4

MULTI-YEAR FINANCIAL SUMMARY
GENERAL FUND
FISCAL YEARS 08 - 15
(in millions of dollars)

	<u>Actual FY 08</u>	<u>Estimated FY 09</u>	<u>Estimated FY 10</u>	<u>Estimated FY 11</u>	<u>Estimated FY 12</u>	<u>Estimated FY 13</u>	<u>Estimated FY 14</u>	<u>Estimated FY 15</u>
REVENUES:								
Executive Branch:								
Tax Revenues	4,640.8	4,618.7	4,780.3	4,995.4	5,260.2	5,575.8	5,938.2	6,324.2
Nontax Revenues	569.8	509.4	504.8	517.4	520.4	529.1	532.0	532.0
Judicial Branch Revenues	34.2	32.7	33.2	33.7	34.2	34.8	35.3	35.3
Other	-	46.4	137.4	76.5	74.7	58.7	49.7	49.7
TOTAL REVENUES	5,244.8	5,207.2	5,455.7	5,623.0	5,889.6	6,198.4	6,555.2	6,941.1
EXPENDITURES:								
Executive Branch:								
Operating	5,185.8	5,132.6	5,361.3	5,464.0	5,741.2	5,875.3	5,964.2	6,065.0
CIP	50.0	-	-	-	-	-	-	-
Specific Appropriations	206.3	237.2	9.5	9.2	9.3	9.3	9.3	9.3
Sub-total	5,442.1	5,369.8	5,370.8	5,473.3	5,750.5	5,884.7	5,973.6	6,074.3
Legislative Branch	37.5	37.5	30.5	30.5	30.5	30.5	30.5	30.5
Judicial Branch	143.8	150.4	120.3	120.3	120.3	120.3	120.3	120.3
OHA	3.1	3.1	2.5	2.5	2.5	2.5	2.5	2.5
Counties	-	-	-	-	-	-	-	-
Lapses	(219.6)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)
TOTAL EXPENDITURES	5,406.9	5,495.9	5,459.1	5,561.6	5,838.9	5,973.0	6,061.9	6,162.6
REVENUES OVER EXPEND.	(162.2)	(288.8)	(3.4)	61.4	50.8	225.4	493.3	778.5
CARRY-OVER BALANCE (DEFICIT)								
Beginning	493.4	331.2	42.5	39.0	100.5	151.2	376.6	869.9
Ending	331.2	42.5	39.0	100.5	151.2	376.6	869.9	1,648.4
Emergency & Budget Reserve Fund	74.0	26.2	3.5	15.7	28.0	40.3	52.5	64.8

**SUMMARY STATEMENT OF GENERAL FUND
EXPENDITURE CEILING AND APPROPRIATIONS**

<u>Total State Personal Income (in \$ millions)</u>		<u>State Growth Rate</u>	
Calendar Year 2005	44,112	Fiscal Year 2009	6.91%
Calendar Year 2006	47,338	Fiscal Year 2010	5.84%
Calendar Year 2007	50,130	Fiscal Year 2011	4.40%
Calendar Year 2008*	52,286		
Calendar Year 2009*	53,854		

* As estimated by the Council on Revenues

All Branches of State Government

	<u>Expenditure Ceiling</u>	<u>General Fund Appropriations</u>	<u>Margin</u>
Fiscal Year 2008		5,626,547,859	
Fiscal Year 2009**	6,173,647,136	5,754,257,341	419,389,795
Fiscal Year 2010**	6,534,024,130	5,539,932,482	994,091,648
Fiscal Year 2011**	6,821,471,504	5,645,716,866	1,175,754,638

Executive Branch

	<u>Appropriation Ceiling</u>	<u>General Fund Appropriations</u>	<u>Margin</u>
Fiscal Year 2008		5,441,548,509	
Fiscal Year 2009		5,580,728,844	
Proposed additional apprns		<u>5,000,000</u>	
Total Fiscal Year 2009	5,817,571,323	5,585,728,844	231,842,479
Fiscal Year 2010**	5,911,787,027	5,378,314,152	533,472,875
Fiscal Year 2011**	5,614,919,075	5,481,016,701	133,902,374

** Includes proposed appropriations

MULTI-YEAR FINANCIAL SUMMARY
FUND BALANCES OF SPECIAL FUNDS
FISCAL YEARS 08 - 15
(in millions of dollars)

	Estimated <u>FY 08</u>	Estimated <u>FY 09</u>	Estimated <u>FY 10</u>	Estimated <u>FY 11</u>	Estimated <u>FY 12</u>	Estimated <u>FY 13</u>	Estimated <u>FY 14</u>	Estimated <u>FY 15</u>
Transportation:								
Highways *	280.2	113.7	(53.8)	(254.7)	(308.6)	(271.0)	(221.6)	(165.9)
Airports	699.6	613.0	590.5	583.8	581.5	587.5	622.5	652.2
Harbors	189.6	175.3	144.9	117.7	105.7	107.0	96.8	92.5
Agriculture	7.2	7.1	7.1	7.2	7.2	7.2	7.3	7.4
Business, Econ. Dev. & Tourism	69.8	54.4	47.8	42.5	44.2	54.2	73.6	93.0
Commerce & Consumer Affairs	43.2	34.5	28.5	24.1	19.0	14.7	9.6	4.7
Education	34.8	29.9	28.2	27.1	26.0	24.9	23.8	22.7
Health	146.7	209.6	126.3	58.5	41.1	49.7	58.3	66.9
Labor & Industrial Relations *	532.7	516.0	312.1	190.5	104.9	(26.6)	(150.1)	(263.6)
Land and Natural Resources *	56.4	37.5	22.8	8.5	(5.8)	(19.5)	(33.2)	(46.9)
University of Hawaii	139.2	75.1	80.2	69.3	58.4	49.0	39.9	31.1
Others	179.4	198.6	209.2	224.5	240.1	256.1	272.8	289.5
TOTAL	2,379.0	2,064.7	1,543.9	1,099.0	913.7	833.1	799.6	783.5

* Revenue and expenditure projections will be reviewed.

MULTI-YEAR FINANCIAL SUMMARY
SPECIAL FUNDS
FISCAL YEARS 08 - 15
(in millions of dollars)

	Actual <u>FY 08</u>	Estimated <u>FY 09</u>	Estimated <u>FY 10</u>	Estimated <u>FY 11</u>	Estimated <u>FY 12</u>	Estimated <u>FY 13</u>	Estimated <u>FY 14</u>	Estimated <u>FY 15</u>
REVENUES:								
Executive Branch:								
Tax Revenues	444.6	473.1	491.6	587.9	639.4	603.5	619.2	632.2
Nontax Revenues	1,658.6	1,895.2	1,903.7	1,747.6	1,740.3	1,830.6	1,744.0	1,721.2
Federal Funds	308.4	237.6	230.1	238.1	260.1	264.7	265.0	267.0
Judicial Branch Revenues	9.2	9.8	10.2	10.3	10.4	10.6	10.8	11.0
TOTAL REVENUES	2,420.8	2,615.7	2,635.6	2,583.9	2,650.2	2,709.4	2,639.0	2,631.4
EXPENDITURES:								
Executive Branch:								
Operating	2,041.2	2,168.2	2,475.2	2,529.9	2,547.1	2,576.1	2,618.1	2,636.0
Capital Investment	406.5	752.6	669.0	488.2	277.5	202.9	43.3	0.2
Sub-total	2,447.8	2,920.8	3,144.2	3,018.1	2,824.6	2,779.0	2,661.4	2,636.2
Judicial Branch	7.3	9.2	12.2	10.7	10.9	11.0	11.2	11.3
Total Expenditures	2,455.1	2,930.0	3,156.4	3,028.8	2,835.5	2,790.0	2,672.5	2,647.5
REVENUES OVER EXPEND.	(34.3)	(314.3)	(520.8)	(444.9)	(185.3)	(80.6)	(33.5)	(16.1)
CARRY-OVER BALANCE (DEFICIT)								
Beginning	2,413.3	2,379.0	2,064.7	1,543.9	1,099.0	913.7	833.1	799.6
Ending	2,379.0	2,064.7	1,543.9	1,099.0	913.7	833.1	799.6	783.5

GENERAL FUND
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 08 - 15
(in thousands of dollars)

<u>Source</u>	<u>Actual FY 08</u>	<u>Estimated FY 09</u>	<u>Estimated FY 10</u>	<u>Estimated FY 11</u>	<u>Estimated FY 12</u>	<u>Estimated FY 13</u>	<u>Estimated FY 14</u>	<u>Estimated FY 15</u>
Licenses & Permits	1,510	1,006	1,006	1,006	1,006	1,006	1,006	1,006
Revenues From Use of Money and Property	89,520	70,018	69,311	68,859	65,640	65,204	65,836	65,836
Federal	4,536	5,381	5,381	5,381	5,381	5,381	5,381	5,381
Other Agencies	2,328	2,814	2,814	2,814	2,814	2,814	2,814	2,814
Charges for Current Services	238,966	217,893	221,911	230,297	238,881	250,524	252,238	252,223
Fines, Forfeits & Penalties	494	545	545	545	545	545	545	545
Repayment of Loans & Advanc.	30,019	24,492	18,616	22,776	20,454	17,961	17,961	17,961
Other Revenues	202,414	187,254	185,238	185,704	185,704	185,704	185,704	185,704
Sub-total	569,787	509,405	504,822	517,382	520,425	529,139	531,485	531,470
Judicial Branch Revenues	34,209	32,698	33,215	33,719	34,232	34,757	35,292	35,292
TOTAL	603,997	542,103	538,037	551,101	554,657	563,896	566,777	566,762

SPECIAL REVENUE FUNDS
MULTI-YEAR REVENUES FROM TAXES
FISCAL YEARS 08 - 15
(in thousands of dollars)

<u>Source</u>	<u>Actual FY 08</u>	<u>Estimated FY 09</u>	<u>Estimated FY 10</u>	<u>Estimated FY 11</u>	<u>Estimated FY 12</u>	<u>Estimated FY 13</u>	<u>Estimated FY 14</u>	<u>Estimated FY 15</u>
Transfer of Tobacco Tax	5,822	8,781	13,346	20,628	28,813	31,540	31,540	31,540
Liquid Fuel:								
Highway	88,135	89,214	90,326	91,452	92,592	93,747	94,916	96,099
Aviation	4,216	4,615	4,615	4,615	4,615	4,615	4,615	4,615
Small Boats	1,640	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Sub-total	93,991	95,129	96,241	97,367	98,507	99,662	100,831	102,014
Transfer of Trans. Accom. Tax	112,900	117,218	120,959	124,778	128,856	133,213	137,868	137,868
Motor Vehicle Weight Tax	34,010	34,435	34,865	35,301	35,743	36,189	36,642	37,100
Vehicle Registration Fee Tax	26,445	26,710	26,977	27,248	27,522	27,800	28,082	28,366
Vehicle Surcharge:								
Rental/Tour Vehicles	49,196	50,180	51,183	52,207	53,251	54,316	55,403	56,511
Environmental Response Tax	1,695	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Unemployment Comp. Tax	103,882	119,000	126,000	208,000	244,000	198,000	206,000	216,000
Employment and Training	1,125	450	600	1,000	1,300	1,350	1,400	1,400
Election Campaign Contrib. T.F.	190	200	200	200	200	200	200	200
Transfer of Banks & fin. Corp. Tax	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Transfer of Conveyance Tax	32,647	33,228	32,400	32,400	32,400	32,400	32,400	32,400
Transfer of Ins. Premium Tax	1,745	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL	465,650	491,130	508,572	604,930	656,392	620,470	636,166	649,199

SPECIAL FUNDS
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 08 - 15
(in thousands of dollars)

<u>Source</u>	<u>Actual FY 08</u>	<u>Estimated FY 09</u>	<u>Estimated FY 10</u>	<u>Estimated FY 11</u>	<u>Estimated FY 12</u>	<u>Estimated FY 13</u>	<u>Estimated FY 14</u>	<u>Estimated FY 15</u>
Licenses & Permits	14,412	17,743	18,711	19,149	18,905	19,179	18,972	19,257
Revenues From Use of Money and Property	151,723	112,571	105,652	101,268	99,551	98,327	99,748	100,011
Federal	308,390	237,587	230,146	238,078	260,117	264,698	264,970	267,011
Other Agencies	59,229	103,858	103,858	53,858	53,858	53,858	53,858	53,858
Charges for Current Services: Utilities & Other Enterprises	329,810	341,358	368,220	383,637	397,525	425,863	462,275	480,156
Others	812,025	816,980	889,497	930,078	954,062	979,226	983,998	984,754
Fines, Forfeits & Penalties	5,062	3,601	3,614	3,678	3,745	3,761	3,777	3,794
Non-Revenue Receipts	286,292	499,057	414,164	255,926	212,668	250,411	121,396	79,394
Judicial Branch Revenues	9,201	9,780	10,180	10,348	10,421	10,598	10,779	10,964
TOTAL	1,976,144	2,142,535	2,144,042	1,996,020	2,010,852	2,105,921	2,019,773	1,999,199

SPECIAL REVENUE FUNDS - OTHER THAN SPECIAL FUNDS
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 08 - 15
(in thousands of dollars)

<u>Source</u>	<u>Actual FY 08</u>	<u>Estimated FY 09</u>	<u>Estimated FY 10</u>	<u>Estimated FY 11</u>	<u>Estimated FY 12</u>	<u>Estimated FY 13</u>	<u>Estimated FY 14</u>	<u>Estimated FY 15</u>
Licenses & Permits	486	493	492	493	493	493	493	493
Revenues From Use of Money and Property	100,997	97,647	94,573	94,402	93,808	93,488	92,611	92,602
Federal	1,842,431	1,865,281	1,870,670	1,907,395	1,942,297	1,983,572	1,983,683	1,983,753
Other Agencies	17,007	12,860	12,642	12,647	12,647	12,652	12,652	12,652
Charges for Current Services	124,830	118,929	117,450	121,960	121,675	119,292	118,838	118,839
Fines, Forfeits & Penalties	1,285	909	908	908	908	908	908	908
Other Revenues	791,526	794,578	827,371	839,132	870,137	899,595	925,829	958,640
OHA Revenues	23,966	21,250	15,100	15,100	15,100	15,100	15,100	15,100
TOTAL	2,902,528	2,911,947	2,939,206	2,992,037	3,057,065	3,125,100	3,150,114	3,182,987

**SCHEDULE OF PROJECTED DEBT SERVICE CHARGES FOR GENERAL OBLIGATION BONDS
ISSUED AND TO BE ISSUED BY JUNE 30, 2010
(IN THOUSANDS)**

Debt Service On Bonds Outstanding As of July 1, 2008				Debt Service On Bonds To Be Issued Through June 30, 2010			Total Estimated Debt Service		
Fiscal Year	Direct From General Fund	Reimbursable Debt Service	Total	Direct From General Fund	Reimbursable Debt Service	Total	Direct From General Fund	Reimbursable Debt Service	Total
2008-2009	488,582	57,250	545,832	8,775	975	9,750	497,357	58,225	555,582
2009-2010	508,300	43,197	551,497	37,744	4,194	41,938	546,044	47,391	593,435
2010-2011	496,787	46,511	543,298	69,918	7,769	77,687	566,705	54,280	620,985
2011-2012	462,174	38,861	501,035	103,703	11,523	115,225	565,877	50,384	616,260
2012-2013	464,003	34,491	498,494	160,132	17,792	177,924	624,135	52,283	676,418
2013-2014	427,759	24,707	452,466	206,168	22,908	229,076	633,927	47,615	681,542
2014-2015	408,067	23,721	431,788	222,641	24,738	247,379	630,708	48,459	679,167

Schedule of General Obligation Bond Sales:

Fiscal Year 2008-2009

First Half \$325,000 *

Second Half \$225,000

Fiscal Year 2009-2010

First Half \$275,000

Second Half \$275,000

Maturities of Bonds to be issued:

20 year serial bonds with principal repayment beginning the fourth year.

Method of Retirement:

Maturing in substantial equal installment of debt service (principal and interest)

Assumed Interest Rate: 6.00% for FY 09 and 6.50% for FY 10-13.

* Note: GO of 2008 Series DN/DO/DP closed on December 16, 2008.

TENTATIVE SCHEDULE BY QUARTER AND FISCAL YEAR
OF THE AMOUNT OF GENERAL OBLIGATION BONDS AND REVENUE BONDS
TO BE ISSUED IN THE FISCAL BIENNIUM

<u>GENERAL OBLIGATION BONDS</u>		<u>AMOUNT</u>	<u>TOTAL</u>
FY 2009-2010	Second Quarters	\$ 275,000,000	\$ 550,000,000
	Fourth	<u>275,000,000</u>	
FY 2010-2011	Second Quarters	\$ 275,000,000	<u>550,000,000</u>
	Fourth	<u>275,000,000</u>	
TOTAL GENERAL OBLIGATION BONDS			<u>\$ 1,100,000,000</u>

<u>REVENUE BONDS</u>			
FY 2009-2010	Quarters		
	First	Hawaii Health Systems Corp.	\$ 4,500,000
	First	Hawaii Housing Finance & Development Corp.	60,000,000
	First	University of Hawaii	50,000,000
	Second	Harbors	130,000,000
	Second	Hawaii Health Systems Corp.	14,000,000
	Second	Hawaii Housing Finance & Development Corp.	20,000,000
	Third	Hawaii Health Systems Corp.	7,000,000
	Third	University of Hawaii	50,000,000
	Fourth	Hawaiian Home Lands	50,000,000
	Fourth	Hawaii Health Systems Corp.	8,000,000
	Fourth	Hawaii Housing Finance & Development Corp.	<u>40,000,000</u>
			\$ 433,500,000
FY 2010-2011	Quarters		
	First	Hawaii Health Systems Corp.	\$121,000,000
	First	Hawaii Housing Finance & Development Corp.	15,000,000
	Second	Highways	80,000,000
	Second	Hawaii Health Systems Corp.	21,000,000
	Third	Hawaii Health Systems Corp.	17,000,000
	Third	Hawaii Housing Finance & Development Corp.	15,000,000
	Fourth	Harbors	653,485,000
	Fourth	Hawaii Health Systems Corp.	18,000,000
	Fourth	Hawaii Housing Finance & Development Corp.	<u>40,000,000</u>
			\$980,485,000
TOTAL REVENUE BONDS			<u>\$ 1,413,985,000</u>

TENTATIVE SCHEDULE BY QUARTER AND FISCAL YEAR
OF THE AMOUNT OF GENERAL OBLIGATION BONDS
TO BE ISSUED FROM FISCAL YEAR 2009 TO FISCAL YEAR 2015

GENERAL OBLIGATION BONDS

	<u>Quarter</u>	<u>Amount</u>	<u>Total</u>
Actual:			
FY 2007-2008	Fourth Series DK, DL, DM	\$429,010,000	
FY 2008-2009	Second Series DN, DO, DP (Note: Bond closing on 12/16/08)	227,825,000	\$656,835,000
	Total General Obligation Bonds - Actual		<u>\$656,835,000</u>
Projected:			
FY 2008-2009	Fourth	\$424,000,000	\$424,000,000
FY 2009-2010	Second Fourth	\$275,000,000 275,000,000	550,000,000
FY 2010-2011	Second Fourth	\$275,000,000 275,000,000	550,000,000
FY 2011-2012	Second Fourth	\$330,000,000 340,000,000	670,000,000
FY 2012-2013	Second Fourth	\$330,000,000 340,000,000	670,000,000
FY 2013-2014	Second Fourth	\$150,000,000 150,000,000	300,000,000
FY 2014-2015	Second Fourth	\$150,000,000 150,000,000	300,000,000
	Total General Obligation Bonds-Projected		<u>\$3,464,000,000</u>

TENTATIVE SCHEDULE BY QUARTER AND FISCAL YEAR
OF THE AMOUNT OF REVENUE BONDS
TO BE ISSUED FROM FISCAL YEAR 2009 TO FISCAL YEAR 2015

			<u>REVENUE BONDS</u>	
	<u>Quarter</u>		<u>Amount</u>	<u>Total</u>
<u>Actual:</u>				
FY 2007-2008	First	Harbors	\$51,645,000	
	Second	Hawaii Housing Finance & Development Corp. (Kukui Gardens)	45,000,000	
	Third	Hawaii Health Systems Corp. (Maui Regional System)	11,000,000	
	Fourth	Hawaii Housing Finance & Development Corp. (Kahului Town Terrace)	8,420,000	\$116,065,000
FY 2008-2009	Second	Hawaii Housing Finance & Development Corp. (Lokahi Kau)	\$33,500,000	
	Second	Highways (Note: Bond closing on 12/17/08)	125,175,000	158,675,000
			<u>Total Revenue Bonds - Actual</u>	
				<u>\$274,740,000</u>
<u>Projected:</u>				
FY 2008-2009	Third	Airports	\$375,000,000	
	Third	Hawaiian Home Lands	50,000,000	
	Third	Hawaii Health Systems Corp.	20,000,000	
	Third	Hawaii Housing Finance & Development Corp.	42,150,000	
	Third	University of Hawaii	100,000,000	
	Fourth	Hawaii Health Systems Corp.	1,000,000	
	Fourth	Hawaii Housing Finance & Development Corp.	107,828,993	\$695,978,993
FY 2009-2010	First	Hawaii Health Systems Corp.	\$4,500,000	
	First	Hawaii Housing Finance & Development Corp.	60,000,000	
	First	University of Hawaii	50,000,000	
	Second	Harbors	130,000,000	
	Second	Hawaii Health Systems Corp.	14,000,000	
	Second	Hawaii Housing Finance & Development Corp.	20,000,000	
	Third	Hawaii Health Systems Corp.	7,000,000	
	Third	University of Hawaii	50,000,000	
FY 2010-2011	Fourth	Hawaiian Home Lands	50,000,000	
	Fourth	Hawaii Health Systems Corp.	8,000,000	
	Fourth	Hawaii Housing Finance & Development Corp.	40,000,000	433,500,000
	Fourth	Hawaii Housing Finance & Development Corp.	\$121,000,000	
FY 2011-2012	First	Hawaii Health Systems Corp.	15,000,000	
	First	Hawaii Housing Finance & Development Corp.	80,000,000	
	Second	Highways	21,000,000	
	Second	Hawaii Health Systems Corp.	17,000,000	
	Third	Hawaii Health Systems Corp.	15,000,000	
	Third	Hawaii Housing Finance & Development Corp.	653,485,000	
	Fourth	Harbors	18,000,000	
	Fourth	Hawaii Health Systems Corp.	40,000,000	980,485,000
FY 2012-2013	First	Hawaii Health Systems Corp.	\$5,000,000	
	First	Hawaii Housing Finance & Development Corp.	15,000,000	
	Second	Hawaii Health Systems Corp.	4,000,000	
	Second	Hawaii Health Systems Corp.	3,000,000	
	Third	Hawaii Housing Finance & Development Corp.	15,000,000	
	Third	Hawaii Health Systems Corp.	3,000,000	
	Fourth	Hawaii Housing Finance & Development Corp.	40,000,000	85,000,000
	Fourth	Hawaii Housing Finance & Development Corp.	\$1,000,000	
FY 2013-2014	First	Hawaii Health Systems Corp.	\$1,000,000	
	First	Hawaii Housing Finance & Development Corp.	15,000,000	
	Second	Highways	80,000,000	
	Second	Hawaii Health Systems Corp.	1,000,000	
	Third	Harbors	200,000,000	
	Third	Hawaii Health Systems Corp.	1,000,000	
	Third	Hawaii Housing Finance & Development Corp.	15,000,000	
	Fourth	Airports	672,615,000	
FY 2014-2015	Fourth	Hawaii Health Systems Corp.	1,000,000	
	Fourth	Hawaii Housing Finance & Development Corp.	40,000,000	1,026,615,000
	First	Hawaii Housing Finance & Development Corp.	\$15,000,000	
	Third	Harbors	155,000,000	
FY 2015-2016	Third	Hawaii Housing Finance & Development Corp.	15,000,000	
	Third	Hawaii Housing Finance & Development Corp.	40,000,000	225,000,000
	Fourth	Hawaii Housing Finance & Development Corp.	\$15,000,000	
	Fourth	Hawaii Housing Finance & Development Corp.	133,850,000	
FY 2016-2017	Fourth	Airports	133,850,000	
	Fourth	Hawaii Housing Finance & Development Corp.	40,000,000	203,850,000
	First	Hawaii Housing Finance & Development Corp.	\$15,000,000	
	Third	Hawaii Housing Finance & Development Corp.	15,000,000	
			<u>Total Revenue Bonds - Projected</u>	
				<u>\$ 3,650,428,993</u>

DECLARATION OF FINDINGS

Pursuant to Section 37-71(d)(6) of the Hawaii Revised Statutes, the Director of Finance finds and declares that with respect to the proposed capital improvement appropriations for the budget period 2009-2011 for which the source of funding is general obligation bonds:

1. Limitation on general obligation debt. Article VII, Section 13 of the State Constitution, states in part: "General obligation bonds may be issued by the State; provided that such bonds at the time of issuance would not cause the total amount of principal and interest payable in the current or any future fiscal year, whichever is higher, on such bonds and on all outstanding general obligation bonds to exceed . . . a sum equal to eighteen and one-half percent of the average of the general fund revenues of the State in the three fiscal years immediately preceding such issuance." Article VII, Section 13, also provides that in determining the power of the State to issue general obligation bonds, certain bonds are excludable, including "reimbursable general obligation bonds issued for a public undertaking, improvement or system but only to the extent that reimbursements to the general fund are in fact made from the net revenue, or net user tax receipts, or combination of both, as determined for the immediately preceding fiscal year."
2. Actual and estimated debt limits. The limit on principal and interest of general obligation bonds issued by the State, actual for fiscal year 2006-2007 and estimated for each fiscal year from fiscal year 2009-2010 to 2012-2013, is as follows:

<u>Fiscal Year</u>	<u>Net General Fund Revenues</u>	<u>Debt Limit</u>
2005-2006	4,904,019,330	
2006-2007	5,122,620,268	
2007-2008	5,222,739,619	
2008-2009	5,143,960,000	940,378,385
2009-2010	5,307,213,000	955,174,726
2010-2011	5,531,702,000	966,557,945
2011-2012	5,803,094,000	985,610,625
2012-2013	(not applicable)	1,026,257,222

For fiscal years 2008-2009, 2009-2010, 2010-2011, 2011-2012 and 2012-2013, respectively, the debt limit is derived by multiplying the average of the net general fund revenues for the three preceding fiscal years by 18 1/2 percent. The net general fund revenues for fiscal years 2005-2006, 2006-2007 and 2007-2008 are actual, as certified by the Director of Finance in the Statement of the Debt Limit of the State of Hawaii as of July 1, 2008, dated November 21, 2008. The net general fund revenues for fiscal years 2008-2009 to 2011-2012 are estimates, based on general fund revenue estimates made as of September 8, 2008 and October 31, 2008, by the Council on Revenues, the body assigned by Article VII, Section 7, of the State Constitution to make such estimates, and based on estimates made by the Department of Budget and Finance of those receipts which cannot be included as general fund revenues for the purpose of calculating the debt limit, all of which estimates the Director of Finance finds to be reasonable.

3. Principal and interest on outstanding bonds applicable to the debt limit. In determining the power of the State to issue general obligation bonds for the fiscal years 2008-2009 to 2027-2028, the total amount of principal and interest on outstanding general obligation bonds are as follows:

Fiscal Year Ending June 30	Gross			Excludable			Net Debt Service		
	Principal Payable	Interest Payable	Debt Service Payable	Principal Payable	Interest Payable	Debt Service Payable	Principal Payable	Interest Payable	Debt Service Payable
2009	329,039,472	216,792,054	545,831,525	13,103,801	3,594,990	16,698,791	315,935,671	213,197,064	529,132,735
2010	337,744,540	213,752,827	551,497,367	7,981,894	3,167,781	11,149,676	329,762,646	210,585,046	540,347,691
2011	359,775,000	183,522,502	543,297,502	11,983,233	2,856,427	14,839,660	347,791,767	180,666,075	528,457,842
2012	334,750,000	166,284,763	501,034,763	9,377,469	2,373,974	11,751,444	325,372,531	163,910,789	489,283,319
2013	349,130,000	149,363,809	498,493,809	6,375,297	1,977,604	8,352,900	342,754,703	147,386,205	490,140,908
2014	320,485,000	131,980,894	452,465,894	5,747,270	1,794,661	7,541,932	314,737,730	130,186,232	444,923,962
2015	316,020,000	115,767,978	431,787,978	5,663,467	1,638,602	7,302,069	310,356,533	114,129,376	424,485,909
2016	248,870,000	100,349,967	349,219,967	4,371,913	1,484,638	5,856,551	244,498,087	98,865,329	343,363,416
2017	274,320,000	87,460,048	361,780,048	4,137,503	1,357,567	5,495,070	270,182,497	86,102,481	356,284,978
2018	218,615,000	74,946,013	293,561,013	3,083,920	1,224,801	4,308,722	215,531,080	73,721,212	289,252,292
2019	183,445,000	65,229,749	248,674,749	2,201,692	1,104,753	3,306,445	181,243,308	64,124,996	245,368,304
2020	169,855,000	56,472,181	226,327,181	2,311,665	994,811	3,306,476	167,543,335	55,477,369	223,020,705
2021	179,600,000	47,867,138	227,467,138	2,427,176	879,434	3,306,611	177,172,824	46,987,703	224,160,527
2022	187,600,000	38,683,049	226,283,049	2,545,389	758,134	3,303,523	185,054,611	37,924,915	222,979,526
2023	154,785,000	29,583,369	184,368,369	2,672,691	630,935	3,303,626	152,112,309	28,952,435	181,064,744
2024	153,840,000	21,960,233	175,800,233	2,806,567	497,300	3,303,867	151,033,433	21,462,932	172,496,365
2025	119,795,000	14,708,533	134,503,533	2,946,858	356,998	3,303,856	116,848,142	14,351,535	131,199,677
2026	105,055,000	9,244,880	114,299,880	3,094,098	209,655	3,303,753	101,960,902	9,035,225	110,996,127
2027	59,390,000	4,497,375	63,887,375	1,103,472	55,174	1,158,645	58,286,528	4,442,201	62,728,730
2028	31,450,000	1,544,150	32,994,150	0	0	0	31,450,000	1,544,150	32,994,150

Additionally, the outstanding principal amount of bonds constituting instruments of indebtedness in which the State has incurred a contingent liability as a guarantor is \$191,000,000, all or a portion of which pursuant to Article VII, Section 13 of the State Constitution, is excludable in determining the power of the State to issue general obligation bonds.

4. Amount of authorized and unissued general obligation bonds and proposed bonds. As calculated from the State Comptroller's bond fund report as of October 31, 2008 is \$2,036,600,349. The amount of general obligation bonds proposed in the Multi-Year Program and Financial Plan and Executive Budget for the Period 2009-2015 (Budget Period 2009-2011) (referred to as the "Budget") is \$955,155,000 (but does not include capital improvement appropriations to be funded through the issuance of general obligation bonds proposed by the Judiciary). The total amount of general obligation bonds previously authorized and unissued and the general obligation bonds proposed in the Budget is \$2,980,814,191.
5. Proposed general obligation bond issuance.¹ As reported in the Budget, as it applies to the fiscal period 2008-2009 to 2012-2013, the State proposed to issue \$325,000,000 in general obligation bonds during the first half of fiscal year 2008-2009, \$225,000,000 in general obligation bonds during the second half of 2008-2009, \$275,000,000 in general obligation bonds semi annually during fiscal years 2009-2010 and 2010-2011, \$330,000,000 in general obligation bonds during the first half of fiscal year 2011-2012, \$340,000,000 in general obligation bonds during the second half of fiscal year 2011-2012, \$330,000,000 in general obligation bonds during the first half of fiscal year 2012-2013, and \$340,000,000 in general obligation bonds during the second half of fiscal

¹Bond issuance plan as of July 1, 2008 - In December 2008, the Department sold \$100,000,000 of new money Series DN bonds, \$101,825,000 of refunding Series DO bonds, and \$26,000,000 of new money Series DP bonds.

year 2012-2013. It is the practice of the State to issue 20-year serial bonds with principal repayments beginning the fourth year, payable in substantially equal annual installments of principal and interest payment with interest payments commencing six months from the date of issuance and being paid semi-annually thereafter. It is assumed that this practice will continue to be applied to the bonds, which are proposed to be issued except that principal repayments will begin in the fourth year.

6. Sufficiency of proposed general obligation bond issuance to meet the requirements of authorized and unissued bonds and the bonds proposed in the Budget. From the schedule reported in paragraph (5), the total amount of general obligation bonds, which the State proposes to issue during this fiscal year and in fiscal years 2009-2010, 2010-2011, 2011-2012, and 2012-2013, is \$2,990,000,000. The total amount of \$2,990,000,000 which is proposed to be issued through fiscal year 2012-2013 is sufficient to meet the requirements of the previously authorized and unissued bonds and the bonds proposed in the Budget, the total amount of which is \$2,980,814,191, as reported in paragraph (4). Thus, taking the Budget into account the amount of previously authorized and unissued bonds and bonds proposed versus the amount of bonds which is proposed to be issued by June 30, 2013, the Director of Finance finds that in the aggregate, the amount of bonds is sufficient to meet these requirements.
7. Bonds excludable in determining the power of the State to issue bonds. As noted in paragraph (1), certain bonds are excludable in determining the power of the State to issue general obligation bonds. (A) General obligation reimbursable bonds can be excluded under certain conditions. It is not possible to make a conclusive determination as to the amount of reimbursable bonds which are excludable from the amount of each proposed bond issuance because:

- (i) It is not known exactly when projects for which reimbursable bonds have been authorized in prior acts and in the Budget will be implemented and will require the application of proceeds from a particular bond issue; and
- (ii) Not all reimbursable general obligation bonds may qualify for exclusion.

However, the Director of Finance notes that with respect to the principal and interest on outstanding general obligation bonds, as reported in Section 3 herein, the average proportion of principal and interest which is excludable each year from calculation against the debt limit is 1.86 percent for the ten years from fiscal year 2009-2010 to fiscal year 2018-2019. For the purpose of this declaration, the assumption is made that one percent of each bond issue will be excludable from the debt limit, an assumption which the Director of Finance finds to be reasonable and conservative. (B) Bonds constituting instruments of indebtedness under which the State incurs a contingent liability as a guarantor can be excluded but only to the extent the principal amount of such guaranties does not exceed seven percent of the principal amount of outstanding general obligation bonds not otherwise excluded under subparagraph (A) of this paragraph (7) and provided that the State shall establish and maintain a reserve in an amount in reasonable proportion to the outstanding loans guaranteed by the State as provided by law. According to the Department of Budget and Finance and the assumptions presented herein, the total principal amount of outstanding general obligation bonds and general obligation bonds proposed to be issued, which are not otherwise excluded under Article VII, Section 13 of the State Constitution, for the fiscal years 2008-2009, 2009-2010, 2010-2011, 2011-2012 and 2012-2013 are as follows:

<u>Fiscal Year</u>	<u>Total amount of G.O. Bonds not otherwise excluded by Article VII, Section 13 of the State Constitution</u>
2008-2009	4,656,314,012
2009-2010	4,871,774,540
2010-2011	5,078,530,000
2011-2012	5,382,055,000
2012-2013	5,353,580,000

Based on the foregoing and based on the assumption that the full amount of a guaranty is immediately due and payable when such guaranty changes from a contingent liability to an actual liability, the aggregate principal amount of the portion of the outstanding guaranties and the guaranties proposed to be incurred, which does not exceed seven percent of the average amount set forth in the last column of the above table and for which reserve funds have been or will have been established as heretofore provided by, can be excluded in determining the power of the State to issue general obligation bonds. As it is not possible to predict with a reasonable degree of certainty when a guaranty will change from a contingent liability to an actual liability, it is assumed in conformity with fiscal conservatism and prudence, that all guaranties not otherwise excluded pursuant to Article VII, Section 13 of the State Constitution will become due and payable in the same fiscal year in which the greatest amount of principal and interest on general obligation bonds, after exclusions, occurs. Thus, based on such assumptions and on the determination in paragraph (8), the aggregate principal amount of the portion of the outstanding guaranties; which must be included in determining the power of the State to issue general obligation bonds, is \$0.

8. Determination whether the debt limit will be exceeded at the time of issuance. From the foregoing and on the assumption that the bonds identified in paragraph (5) will be issued at interest rate of 6 percent during the remainder of fiscal year 2008-2009 and 6.5 percent thereafter, as reported in the


Budget, it can be determined from the following schedule that the bonds which are proposed to be issued, which includes all bonds issued and outstanding, bonds previously authorized and unissued and the bonds proposed in the Budget, will not cause the debt limit to be exceeded at the time of each bond issuance:

<u>Time of Issue and Amount of Issue to be Counted Against Debt Limit</u>	<u>Debt Limit at Time of Issuance</u>	<u>Greatest Amount & Year of Principal & Interest</u>
1st half FY 2008-2009		
\$321,750,000	940,378,385	562,602,502 (2010-2011)
2nd half FY 2008-2009		
\$222,750,000	940,378,385	558,179,867 (2009-2010)
1st half FY 2009-2010		
\$272,250,000	955,174,726	565,510,627 (2010-2011)
2nd half FY 2009-2010		
\$272,250,000	955,174,726	574,358,752 (2010-2011)
1st half FY 2010-2011		
\$272,250,000	966,557,945	574,358,752 (2010-2011)
2nd half FY 2010-2011		
\$272,250,000	966,557,945	590,538,809 (2012-2013)
1st half FY 2011-2012		
\$326,700,000	985,610,625	601,156,559 (2012-2013)
2nd half FY 2011-2012		
\$336,600,000	985,610,625	612,096,059 (2012-2013)
1st half FY 2012-2013		
\$326,700,000	1,026,257,222	625,953,228 (2014-2015)
2nd half FY 2012-2013		
\$336,600,000	1,026,257,222	647,832,228 (2014-2015)

9. Overall and concluding finding. From the facts, estimates, and assumptions stated in this declaration of findings, the conclusion is reached that the total amount of principal and interest estimated for the general obligation bonds proposed in the Budget and for all bonds previously authorized and unissued and calculated for all bonds issued and outstanding

and guaranties, will not cause the debt limit to be exceeded at the time of issuance.

The Director of Finance hereby finds that the bases for the declaration of findings set forth herein are reasonable. The assumptions set forth in this declaration with respect to the principal amount of general obligation bonds which will be issued, the amount of principal and interest on reimbursable general obligation bonds which are assumed to be excludable and the assumed maturity structure shall not be deemed to be binding, it being the understanding that such matters must remain subject to substantial flexibility.


 Director of Finance
 State of Hawaii